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ABSTRACT

In recent years, numerous American companies have extended parental leave in order to retain employees and comply with state-imposed mandates. In England, several companies have created the career break, which is a period in which the employee works part-time or takes a complete break from working, typically to raise a family, before resuming his or her career. Two companies in England, a large private utility and an inner-city bank, were visited in an investigation of the English career break. At both sites, career breaks were available only to employees at higher levels. The utility company stipulated that employees must have 3 years of continuous service before becoming eligible for a career break, while the bank required efficient or standard performance records. The utility company offered four types of career breaks (which would follow maternity leave that included partial pay): (1) returning to work after maternity leave; (2) an alternative contract; (3) a 2-year career break; and (4) a break of up to 5 years. In contrast, the bank offered only a leave that could last up to 5 years. The bank's only requirement was that employees state their intention to return to the company. As at the utility company, leave at the bank was unpaid. Career breaks are not considered primarily as assistance for mothers, but as supports for women's careers. Companies in the United States are just beginning to experiment with these ideas. (HOD)

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The Relevance of British Career Break Schemes for American Companies

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The American Backdrop

This year, Du Pont extended its parental leave policy from a two-month to a six-month unpaid but job-guaranteed leave. The purpose of this policy change, carefully crafted by a company task force on work and family life, was to bring together two separate company imperatives: to help employees manage their job and family responsibilities by providing more time flexibility, and to promote the career mobility of women.

The merging of these two streams sets forth a new direction in American corporate life. Until very recently, American companies interested in integrating women into their workforces have followed either one of two routes: promoting the career mobility of women or helping employees manage job and family responsibilities.

The companies stressing career mobility for women assume a male model: the woman who wants to reach the top of the career ladder must be willing to put aside all other responsibilities and devote herself solely to rising within the company. These companies generally offer few supports for child care; work schedules tended to be rigid in both policy and practice. Employees who arrive early and leave late with bulging briefcases, who work weekends, who return to the office after a late afternoon plane flight, are seen as candidates for the fast track. Employees who leave at five are considered uncommitted.

These companies tend to establish mentoring programs to connect women with the leadership network. They also tend to offer experimental programs -- called "affirmative action," "equal opportunity," or "workplace diversity" -- that bring male and female employees face to face with

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their own preconceived assumptions (such as those that lead male bosses to be unwilling to take the same career risks for women that they do for men).

An entirely different group of corporations has pioneered work/family supports. Acting on the premise (now substantiated by nearly a decade of research) that inadequate, unstable child care negatively affects parent employees' attendance and performance on the job, these companies have established company task forces, needs assessments, and focus groups to investigate the problems their female and male employees face while trying to accommodate the demands of job and family. One of the most frequent solutions is child care resource and referral (R&R) to help parents find child care; today about 1200 companies offer R&R through new or existing community-based child care R&R agencies. About 2000 companies offer flexible spending accounts (FSA's) in accord with Section 129 of the IRS Code: employees can reduce their salaries by up to $5000 and be reimbursed for child care with pre-tax dollars. A very few companies (about 200*) established their own on- or near-site centers. These programs, intended to attract and retain employees, are generally not seen as a means to promote women's career mobility.

The distance between these two corporate avenues is most notably expressed in Felice Swartz's Harvard Business Review article, "Management Women and the New Facts of Life" (1989). Swartz posited two types of women: the career-primary woman and the career-and-family woman. "The secret to dealing with [career-primary] women," she writes, "is to recognize them early, accept them, and clear artificial barriers from their path to the top." These women must give their all to the company. The career and family women, on the other hand, "are willing to trade some career growth and compensation from the constant pressure to work long hours and weekends." The solution for these women, according to Swartz, is "to provide the flexibility and family supports they need to function effectively."

This article ignited fierce debate in the media (who dubbed Swartz's second category "The Mommy Track") and in business circles: Who decides who is on which track? Why are careers

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* Near- or on-site child care centers have also been sponsored by 800 hospitals and 200 government agencies.

viewed as single tracks? Why are men exempt from this issue (particularly since surveys indicate men's increasing commitment to family life)? Why is it not assumed that *all* people will have *some* work and family responsibilities throughout their lives? No matter how heated the public discussion (a New York Times editorial attacked Swartz for embracing the status quo), the arguments continued to treat career mobility and family support as exclusive, unrelated issues.

A New Direction

As debate smoldered over Swartz's article, Du Pont announced its new parental leave policy under the sponsorship of "Workforce Partnering," a new corporate department intended to "partner" work/family with workforce diversity and other equal opportunity initiatives within the company.

Like many new initiatives, Du Pont's extended parental leave was soon beset by questions of implementation. Managers faced various issues. How should women on leave for so long be replaced? How are skills to be kept current? Who should pay for retraining? How can commitment to the company be sustained?

Such situations are becoming more common. Numerous American companies are extending their leave policies due to the self-interest motive of retenting of employees and compliance with state-imposed mandates (ten states have passed parental leave legislation).

In England, several companies already have practical experience with extended leave. Over the past few years, they have created a scheme they call "career breaks," which, according to the British Equal Opportunity Commission, "are designed to assist employees who are committed to a long-term career with an organization but who wish to devote a period of time to raising a family. The career break is a period in which the employee works part-time or takes a complete break from working before resuming her (or his) career."

I went to England** to learn how the English experience with career breaks could be useful to American companies considering or instituting extended leave. I visited two companies in particular, a large private utility, which I'll call company A, and an inner city bank, Company B.

British Career Breaks

How Career Breaks Originated

The original impetus for the career break schemes was the career mobility of women in the late 1970's; however, the idea did not take hold at the local level until recently. The implementation of career breaks at the various sites I visited illustrates the adage, "When you feel the heat, you see the light."

At one site, the "heat" was a sexual discrimination suit filed by a woman claiming she had been bypassed for a promotion. Company officials went to court confident they had substantial proof of the employee's lack of qualifications. The woman, however, introduced as evidence a note she had retrieved from a wastebasket after her promotion interview; her supervisor had written a derogatory sexual comment about her. With this evidence, she won her case.

Losing this suit was a very sobering experience for the company. The result was a renewed dedication to removing obstacles to women's career advancement. Eighteen months ago, the company introduced career breaks to demonstrate a serious commitment to its women employees.

The "heat" in another site was quite different. An inner city location was having difficulty recruiting new employees, so the company decided that offering career breaks would help attract and eventually retain its labor force.

While current labor market conditions spur the implementation of this policy, it retains its equal opportunity foundation. Developed to facilitate retention and promotion of women, it has been

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** My study was undertaken in conjunction with a Ford Foundation funded project examining flexible time and leave policies in England and Sweden under the direction of Rhona Rapoport from the Institute for Family and Environment Research and Peter Moss from the University of London.

structured to ensure that women maintain contact with the company while on leave and are candidates for promotion when they return.

THE FEATURES OF CAREER BREAKS

Eligibility

Career breaks take effect after the government-mandated maternity leave is over. At both companies I visited, career breaks are available only to those at higher levels (managers, officers, management trainees, etc.). Company A further stipulates that employees must have completed three years of continuous service; Company B required "standard" or "efficient" performance records.

Such restrictions raise complex issues. On one hand, they reward the women employees in whom the company has the greatest investment and for whom the company holds the greatest promise. On the other hand, they institutionalize a two-class system by not granting lower-level employees equal rights to time with their children. The tacit assumption seems to be that these women don't have "careers." American companies take the opposite tack; they are loath to give career women leaves. In fact, the version of family leave legislation currently debated in the House of Representatives allows employers to waive a job guarantee for employees whose wages fall in the top ten percent of their companies' salaries.

Although career breaks are intended primarily for women, men have taken them as well. Theirs was a story of subtle and not-so-subtle rebuff and perseverance. For example, one male employee, clearly slated for higher management at his company, had a child and encountered difficulty finding child care. After an upsetting experience with a provider, the couple felt their child's development was being compromised and the man, as the lower earner of the pair, decided to take time off to care for their child. When this man requested a career break, it was denied. He then gave notice. Within a few days, the company offered him leave because it wanted to keep him.

On the basis of equal protection theory (women and men must be equally protected under the law), American corporations that provide leave beyond the disability period offer them to both men and women. The ten states that have passed leave legislation and the proposed federal bills all cover both women and men. It would be legally untenable in America to have a policy explicitly aimed at women; however, the men who attempt to take leaves in America generally face the same kind of pressure as the British man seeking leave.

Duration/Wage Replacement

English law entitles women to a 40-week maternity leave, 11 weeks of which may be taken prior to birth and up to 29 weeks afterwards. During maternity leave, Englishwomen are entitled to a specified portion of their pay.*** Company A provides an additional 12 weeks of half-pay for employees who advise the company of their intention to return to work.

After the maternity leave, Company A offers four types of career breaks.

Option 1: Returning to Work

After maternity leave, employees may return to their previous job or a "suitable alternative."

Option 2: An Alternative Contract

After maternity leave, employees may return to work part-time. Most women in the company choose this option. The degree of flexibility in their schedule is remarkable: people work half-days, half-weeks, one week on, one week off, et

Option 3: A Two-Year Career Break

With this option, also frequently used, employees may take up to a two-year unpaid leave but may also request an earlier return by giving at least three months' written notice. The company pledges to "make every effort to offer [the employee] an appropriate post which will be the same grade and work pattern that [the employee] enjoyed on leaving," although relocating may be necessary.

*** For the first six weeks of maternity leave, mothers receive 9/10ths of their weekly pay, after which they receive the statutory maternity pay for the next 12 weeks.

Under this option, the 12-week half-time pay during maternity leave is partially deferred -- employees receive only eight weeks of this pay during the maternity leave and the remaining four weeks after returning to work for three months. If the employee does not return, the eight weeks of half-time pay must be repaid to the company.

Option 4: Up to Five Years

Employees wanting a longer break may take up to five years; however, there is no job guarantee with this option. Under this scheme, they retain accrued employment benefits, making it more advantageous to remain rather than quit, but very few employees choose to spend this much time away.

Company B offers only one option -- a leave that may last up to five years. Their only requirement is that employees must state their intention to return to the company. Like Company A, the leave is unpaid. Employees must provide eight weeks' notice when they wish to return to full time work. Since this is the only career break option in Company B, it is widely used.

For the average American employer, the duration of the British maternity leave and career break seems impossibly long. Only a handful of the most progressive American employers that approach this amount of time off -- AT&T has a one-year leave; IBM's is three years, with part-time work required the second and third year.

The societal context, however, differs dramatically between England and America. In England, all those I interviewed thought that children must get a good start in life. No one questioned the length of the leave. In fact, when I mentioned that American employers would find this length untenable, that we even have intense opposition to ten weeks off as proposed by Congress, the British employers were astonished. They couldn't understand how a society could ignore the need for mothers and babies to be together.

In America, the needs of the employer take precedence over the needs of children. Despite public statements concerning the importance of children's welfare, policy decisions rarely give children high priority.

Interestingly enough, employers in each country argue that their methods promote productivity. The British view is that women are retained by providing longer hours; the Americans feel just the opposite -- less time off leads to better retention. One of the few studies to investigate this issue, Mothers in the Workplace, supports the British position that women who have access to longer leaves are more likely to return. American time off, however, is measured in months while the British leave is measured in years.

Another difference is the attitude toward the cost of replacement. The British argue that replacing an employee temporarily is ultimately less costly than replacing her permanently. Americans, at least in some industries, feel that workers are more expendable.

A third difference is the productivity of the returnee. The British supervisors I met felt that if mothers had sufficient time to be with their children, they returned to work with a clear conscience and without suffering the torn loyalties that so many American mothers experience.

The duration of the leave must be seen in the context of the child care system and the amount of wage replacement. Everyone I interviewed in England disparaged the governmental child care system, noting tremendous shortages, high cost and uneven quality -- a litany of problems that sounds all too familiar to Americans. British mothers on extended leaves described themselves as wanting to return but staying out longer because they didn't feel comfortable with the child care available. In contrast, Swedish parents felt comfortable returning to work because they knew the quality of child care their children received was excellent.

The absence of income replacement during the career breaks limits the number of women who can take them. I interviewed several women who had to return to work immediately after the maternity leave, despite a profound desire to take more time off. One mother had a very complex system: during the week she left her husband to go live with her sister so that she could have reliable, affordable care. In return, she took care of her own and her sister's children every evening so that her sister could go out. Her life epitomized what Arlie Hochschild labels "second shifts," one on the job and one at home. Once again, poorer women are at a disadvantage.

The possibility of a flexible part-time return was looked upon very favorably by both the supervisors and the parents I interviewed. The opportunity to return gradually rather than to jump from being at home full-time to working full-time always receives high ratings from American parents on surveys. Because both companies I visited were large, staffing for part-time work did not present the problems that it might in smaller firms.

The part-time schedules as the British companies I observed seemed to be arrived at through a decision-making process of shared responsibility. The supervisor stated what was needed to make the job work and the employee responded with a schedule that would suit her family needs. They then negotiated, and from these negotiations, a very broad array of working patterns arose, each customized to the mutual needs of the company and the employee. Employees working part-time reported accomplishing far more than half of their previous job. They said they had learned to be more efficient and to use their time at work more productively. Similar reports are given by American women who have access to flexible work schedules.

The issue of replacing employees on leave is of great concern to the American business community. In both of the British companies, replacement was not a problem because of the large available employee pool within the company. Replacement was handled individually, depending on the skill level necessary for the job -- a subordinate was promoted, tasks were divided up, a new employee was brought in, the division contracted less work. Since all English companies must deal with 40 weeks of mandated maternity leave, it is accepted as a given that career breaks occasionally present problems but they can be solved.

I did interview one manager who was quite upset. The employee on career break had a job requiring considerable skill and the manager had promoted her assistant to fill the job temporarily. The assistant had just resigned, which the manager blamed on the temporary nature of the job -- the leave-taker could return at any time and the assistant would be demoted again. The leave-taker, who was present at the interview, interceded, saying there were other reasons for the resignation: the assistant had been offered a significantly better job in another company. The manager disagreed, criticizing the career break scheme. The Personnel Officer, also present at the interview,

suggested that part of every manager's job was coping with absences and resignations. He asked him why he was less upset by such occurrences when they were unrelated to parental leave. The manager pointed out that staffing was difficult when he never knew from day to day when the leave-taker would return

Both sides had valid points. I wondered, however, whether this manager's angry outburst would affect the leave-taker's eventual decision about whether or not to return. Since this flexibility works well for the leave-taker but less so for the supervisor, benchmark times for decision-making (as with AT&T's policy at six months and at one year) could be helpful. Whatever the policy, a trusting relationship and good communication between manager and subordinate is essential to negotiating these issues, as I have now seen in my research in America, Sweden, and West Germany.

Refreshers

One of the most constructive features of the British career breaks is the way they enable new mothers to "have it all" without having to "do it all." While on leave, an employee is still considered an employee and an active outreach takes place. The handbook for parents at Company A describes this:

> • During the career break you will be encouraged to continue with further education or training courses agreed and started before commencing maternity leave. Any request to take up further training or education during the break will be considered on an individual basis.
>
> • To keep you informed of developments you will continue to receive; the House Journal, Employees Annual Report and other company communications. To maintain your skills, knowledge and contacts in work, you should make every effort to attend briefings and/or training sessions organised by the Company. Appropriate expenses will be paid.

In this way, the employee retains her identity as a company member by receiving all company memos at home, being invited to staff meetings, and attending certain discussions and staff parties. This outreach contrasts sharply with the experiences of many American women I have interviewed, who feel that they have been dropped in a deep dark well while on leave -- they hear from no one, they feel invisible.

Training for employees on leave takes different forms. Sometimes leave-takers return specifically for training sessions. Other managers have concluded that in these times of rapid technological change training is pointless unless the new skills are maintained by daily practice; in such cases they arrange for training when the employee returns to work.

Both companies expect leave-takers to work during leave.**** All the employees I interviewed while on career break felt the work requirement was very useful. One new mother at Company B said that before she did her two weeks of required work (which she spread out over a month), she had assumed that combining work and child rearing would be extremely difficult; once back, she saw she could do it, enjoyed it immensely, and felt reunited with her identity as a career woman. This experience increased both her resolve and confidence. IBM has a similar structure -- employees may take up to three years of leave and are expected to work during their second and third years; the requirement is 20 hours a week as opposed to the two weeks in England.

Promotions

One of the most striking features of the British career break scheme was how little leave-taking interfered with promotion. Many leave-takers reported that they had been promoted soon after they had returned. Since the career break scheme is new, these employees felt a certain pressure to do well in their new jobs because they knew they were role models and their performance might affect the future promotability of others. It is noteworthy, however, that career breaks do not seem to consign employees to "The Mommy Track."

In England, the dual purpose of these leaves has not been forgotten -- to help employees manage work and family life and to develop the careers of women. Like Americans, however, British women have not yet broken through the glass ceiling, and, in fact, hold fewer high positions than women in America.

**** Company A encourages but does not require work during leave; Company B requires it.

THE FUTURE OF WOMEN AND CAREERS

In England, career breaks are not considered as primarily assistance for mothers, they are seen as supports for women's careers. In America, we are just beginning to experiment with these goals -- as in Du Pont's new Workforce Partnering Division or in the New York City law firm that has contracted a study to investigate these issues.

Whatever our conclusions on this exciting new frontier, it is clear that the process of change will bring considerable pain and resistance as well as joy. It is clear that we will be re-examining some deeply held American tenets such as "The hours put in equal productivity," or "If you give employees an inch, they'll take a mile," or "Careers should be a straight and narrow ascent to the top without any breaks."

It has been fascinating to me that all four of the countries I have been studying (England, West Germany, Sweden and America) have similar labor market conditions -- projected labor shortages, especially in highly skilled jobs, and an influx of women with children into the labor market. In America, we have thought that parental leaves hamper our productivity. In the global economy, many of our competitors in the soon-to-be united common market disagree. They think a lack of attention to the needs of new parents hampers careers and productivity. They think it penny-wise and pound-foolish to risk losing a good employee in a time of labor shortages. They think that society must attend to the well-being of its families and children.

Rosabeth Moss Kanter, in her new book <u>When Giants Learn to Dance</u>, likens the global economy to an Olympics with constantly changing rules, like the croquet game from <u>Alice in Wonderland</u>. It is clear that the rules, the game, and the players are all moving quickly. How we, as an economy and society, will handle this transition, with regard to women, careers, and families, is indeed a momentous question.